

Benchmarks

Goal 2: Economy

Louisiana: Vision 2020 2003 Update

Goal 2: To build a thriving economy driven by innovative, globally competitive companies that make productive use of technology and the state's human, educational, and natural resources

Objective 2.1: To retain, modernized, and grow Louisiana's existing industries and grow emerging technology-based businesses through cluster-based development practices

2.1.1

Louisiana's targeted clusters: number of firms, total employment, average weekly wages, average annual wages

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Number of Firms	34,922	34,113	To be set				
Total Employment	747,758	734,849					
Average Weekly Wages	\$647	\$662					
Average Annual Wages (50 weeks)	\$32,350	\$33,100					

Baseline Date - 1st quarter 2001

Current Data – 1st quarter 2002

Explanation:

This benchmark is intended to provide an indication of progress toward development and diversification of the state's economy. Louisiana Economic Development's targeted cluster areas, which are the clusters being measured by this benchmark, include:

Advanced materials
Logistics & transportation
Agriculture, forestry, and food technologies
Durable goods/manufacturing

Entertainment
Information technologies
Medical and biomedical
Oil, gas and energy technologies
Petrochemicals and environmental technologies

The U.S. Department of Commerce's Standard Industrial Classification (SIC) system has been used for many years to group companies according to the type of business in which they are engaged. These categories allow Federal and state government agencies and other groups to track and provide consistent information by industry. The SIC system has recently been updated to better reflect today's economy and meet its data requirements. The new system, known as the North American Industry Classification System (NAICS), identifies more than 350 new industries.

To identify the number of firms, employment, and wages in the targeted clusters, LED cluster directors assisted in identifying the NAICS codes that are included within each of their cluster areas. These selected NAICS codes, were used with data provided at the 6 digit NAICS code level by the Louisiana Department of Labor to identify the number of firms, employment, and wages paid in each cluster area. Those data are presented in the aggregate in this benchmark.

Rationale: These areas represent growth areas nationally and for which Louisiana has an existing resource base (private sector, university, or both) and a substantive competitive advantage. They are also areas around which Louisiana Economic Development personnel now focus their efforts.

Target: To be set.

Data Source: Louisiana Department of Labor and Louisiana Economic Development

2.1.2

Manufacturing employment

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
186,373	172,542	173,233	174,972	176,729	178,503	180,295

Baseline Data - 1996
Current Data - 2001

Explanation: Data used in this benchmark are from the Louisiana Department of Labor's (LDOL) Covered Employment database. Data is derived from quarterly tax reports submitted by all employers subject to the Louisiana Employment Security Law. Figures for 2001 reflect the latest annual average data available.

Manufacturing employment nationwide has been declining, as technology allows companies to manufacture more with fewer people and many companies move offshore to take advantage of lower labor costs. Similarly, the LDOL data for 2001 show that manufacturing employment in Louisiana has been declining.

Rationale: Manufacturing is important because it is an indicator of activity in a key sector of the economy. To achieve economic diversification and progress, employment growth in this sector. is desirable; however, this growth will be a challenge for Louisiana in the coming years.

Target: Targets for manufacturing employment in the original *Vision 2020* anticipated steady growth in manufacturing employment. However, the numbers show that manufacturing employment has not increased and has, in fact, declined. As a result, targets for 2003 – 2023 have been revised downward to make them more realistic.

Nationwide, durable goods are expected to grow at only one tenth of one percent annually over the next 20 years. However, with increased emphasis on some new areas (e.g., advanced materials) by Louisiana Economic Development, targets reflect a slight increase in employment for this important sector. New targets are based on growth of two tenths of one percent annually beginning with the 2001 data.

To increase growth in this important sector, Louisiana must carefully consider the factors that affect location decisions for manufacturers and make key adjustments that will make Louisiana more competitive.

Data Source: Louisiana Department of Labor - Labor Market Information

2.1.3

Technology-intensive employment/establishments as a percentage of the total

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Employment	5.9%	5.9%	6.9%	7.9%	8.9%	9.9%	10.9%
Establishments	4.1%	4.1%	5.6%	7.1%	8.6%	10.1%	11.6%

Baseline Data - 1998

Current Data – 1998

Explanation: This benchmark, which is published by the Office of Technology Policy (OTP) in its report entitled *The Dynamics of Technology-Based Economic Development* and tracked by the Southern Growth Policies Board as part of the *Southern Innovation Index*, is intended to track employment and the number of establishments in specific technology-intensive SIC/NAICS codes, as used in the OTP report.

Rationale: The percentage of total establishments and employment that are technology-intensive provide an indication of the strength of the technology sector, which is typically made of up relatively high growth companies and high wage jobs. Since they are typically higher growth and higher paying, it is desirable for the state to increase their number the number of people they employ.

Target: In line with Louisiana's targets for this benchmark for the Southern Growth Policies Board's *Southern Innovation Index*, the target for this benchmark is to reach today's U.S. average by 2011, and continue with slow growth after that date.

Data Source: Office of Technology Policy, *The Dynamics of Technology-Based Economic Development*, June 2000 and June 2001 (second edition), as shown in *Invented Here: The 2002 Southern Innovation Index*, Southern Growth Policies Board, August 2002.

2.1.4

Number of regions with cluster-based economic development strategies

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
0	2	4	8	8	8	8

Baseline Data - 1998

Current Data - 2002

Explanation: Cluster-based economic development is the strategy used by Louisiana Economic Development as well as several regions around the state. New Orleans and Baton Rouge have completed detailed cluster-based plans for their regions, and several strong clusters groups in each are becoming more organized and active.

Rationale: Clusters are a “geographically bounded concentration of similar, related, or complementary businesses with active channels for business transactions, communications, and dialog that share a specialized infrastructure, labor markets, and services, and that face common opportunities and threats.” By definition, clusters are regional.

While Louisiana Economic Development has cluster directors working throughout the state, it is important for cluster groups to join together to focus efforts.

Target: That each of the state's eight Regional Labor Market Areas (RLMAs) will have identified and developed strategies for their areas existing clusters, as well as emerging clusters where appropriate, by 2008.

Data Source: Louisiana Economic Development

2.1.5

Firms that export per 1,000 firms

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
26.7	26.7	31	37	42	48	53

Baseline Data - 1999

Current Data – 1999

Explanation: This benchmark, which is also tracked by the Southern Growth Policies Board as a part of its *Southern Innovation Index*, is an important indicator of Louisiana's relative traded sector strength in a competitive world economy. This benchmark targets increasing the number of Louisiana firms involved in exporting, in an effort to increase total exports. Increasing the number of firms exporting requires information and assistance to firms, so all firms, regardless of size, will consider exporting a viable option.

Rationale: An increase in the number of firms involved in global trade is an important way to diversify and strengthen Louisiana's economy. Louisiana companies must be competitive in today's global economy.

Target: In 1999, 26.7 per 1,000 Louisiana firms were exporters, compared to 33.1 per 1,000 nationally. Louisiana's target is to increase the number of firms exporting to around that national rate by 2005, and continue increasing thereafter. Professional judgment used to set targets.

Data Source: U.S. Department of Commerce, U.S. Census Bureau, Foreign Trade Division. *A Profile of U.S. Exporting Companies, 1998-1999*, 1999 data. Available at www.census.gov/foreign-trade/aip/ and County Business Patterns. U.S. Dept. of Commerce, Bureau of the Census, 1999 data.

2.1.6

Foreign direct investment per capita

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
\$7,304	\$7,304	\$7,369	\$7,451	\$7,533	\$7,614	\$7,696

Baseline Data - 1999

Current Data - 1999

Explanation: This benchmark measures the amount of foreign investment in our state. It is calculated on a per capita basis in order to allow realistic comparisons to other states. This benchmark is tracked by the Southern Growth Policies Board as part of the *2002 Southern Innovation Index*.

Rationale: Foreign investment brings dollars and jobs into our state.

Target: In 1999, foreign direct investment per capita in Louisiana was \$7,304, which is more than twice the U.S. average of \$3,641. Still, the *Vision 2020* target, which is based on Louisiana's target for the Southern Innovation Index benchmark of \$7,500 in 2011, calls for a slight increase over time to almost \$7,700 by 2023.

Data Source: *The 2002 Southern Innovation Index*, Southern Growth Policies Board, August 2002 taken from *Gross Property, Plant and Equipment of Affiliates, State by selected Country of UBO*, 1999, Bureau of Economic Analysis, 1999 data (www.bea.doc.gov/bea/di/webppe.xls) and *Intercensal Estimates*, U.S. Census (<http://eire.census.gov/popest/data/counties/tables/CO-EST2001-12.php>).

2.1.7 (formerly 2.6.3)

Business vitality rank (among the 50 states)

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
33	46	30	25	29	17	15

Baseline Data - 1996

Current Data - 2002

Explanation: This benchmark is measured annually by the Corporation for Enterprise Development in its *Annual Development Report Card*. It measures business vitality using a number of measures to determine: 1) the competitiveness of existing businesses; 2) structural diversity within the economy; and 3) entrepreneurial energy – the extent to which new firms are generated and are contributing to employment growth.

Rationale: This measure takes into account multiple measures of the vitality of a state's economy and publishes the rankings annually. Many of the factors considered in the measure are included as benchmarks in *Vision 2020* in order to improve in each of these areas and to show other states that Louisiana is, in fact, making progress.

Target: To improve the national ranking into the top 20 states by 2018.

Data Source: *Annual Development Report Card*, Corporation for Enterprise Development

2.1.8 (formerly 2.2.1)

Gross farm, forestry and fishery income

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
\$4.3	\$3.9	\$6.1	\$7.7	\$9.9	\$12.6	\$14.6

Baseline Data - 1996

Current Data - 2001

Explanation: This figure measures the total income derived from farming, forestry and fishery production in the State of Louisiana.

Rationale: This is a good overall measure of the important contribution that agriculture makes to the state's economy. Growth in total gross farm, forestry and fishery income has averaged approximately 5% per year over the last ten years.

Target: It is assumed that overall growth in this area will be at least equal to the historical average when adjusted for inflation (which for this report is assumed to be constant at 2%/year).

Data Source: 1996 Louisiana Agricultural Summary, Louisiana Cooperative Extension Service

2.1.9 (formerly 2.2.2)

Value added for agricultural commodities

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
\$4.4	\$3.9	\$6.6	\$8.8	\$12.1	\$16.6	\$22.2

Baseline Date 1996

Current Data – 2000

Explanation: This measures the impact of processing after the various agricultural commodities are harvested.

Rationale: This indicator further illustrates the contribution that Louisiana farmers, ranchers, foresters and fishermen make to the economy of the State of Louisiana.

Target: It is assumed total growth in this indicator (including an inflation adjustment of 2% per year) will be at least equal to the historical average for the last 10 years.

Data Source: 1996 Louisiana Agricultural Summary, Louisiana Cooperative Extension Service

2.1.10 (formerly 2.2.6)

Annual number of acres of timberland/wetlands reforested

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Hardwood	10,000	52,600	50,000	50,000	50,000	50,000	50,000
Pine	145,000	143,800	150,000	150,000	150,000	150,000	150,000

Baseline Data - 1995

Current Data - 2001

Explanation: Forests are one of Louisiana's greatest renewable resources. Sustaining forests will enhance economic development and environmental quality for generations to come. Efforts and incentives to reforest lands suitable for growing trees come through several federal, state and private initiatives. This includes planting of hardwoods (oaks, etc.), as well as pine species.

Rationale: This indicator serves as a measure of the commitment of Louisiana landowners to sustaining this important renewable resource.

Target: 200,000 acres of hardwood and pine reforested per year by 2003. The 200,000 acres per year target is an increase from the 180,000 acres in the original Vision 2020 strategic plan; however, the mix of hardwood and pine has been changed, with the targets for pine down slightly and for hardwood up dramatically.

Data Source: Louisiana Department of Agriculture and Forestry, Office of Forestry.

2.1.11 (formerly 3.5.10)

Annual production dollars spent in the film and video industry

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
\$65	\$30	\$100	\$150	\$215	\$300	\$375

Baseline Data - 1998

Current Data - 2001

Explanation: The film and video industry spends billions of dollars a year creating their works. Louisiana needs to build a greater awareness of our state as a potential location destination. The annual production dollars spent are determined using information from an expenditure report completed by each production.

In 2001, Louisiana Economic Development was reorganized, and film and video operations were moved to the agency. In addition, a cluster director responsible for improving the infrastructure and climate for the film and video industry was hired.

Rationale: The income and overall economic impact from these projects coming to Louisiana is substantial and has the potential to grow as this cluster is further developed.

Target: Professional judgment used.

Data Source: Louisiana Office of Film & Video

2.1.12 (formerly 3.6.2 & 3.6.3)

Tourism – employment generated and visitor spending

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Employment Generated	106,000	120,600	124,200	139,100	155,800	174,500	195,400
Visitor Spending (in billions)	\$7.4	\$8.7	\$9.3	\$11.1	\$13.4	\$16.1	\$19.2

Baseline Data - 1997

Current Data – 2000

Explanation: Employment generated is the total number of individuals employed in positions that service the tourism industry and tourism related activities.

The total spending figures, shown in billions of dollars, are from the U.S. Travel Data Center and include spending by all visitors since there is no way to differentiate between the spending by Louisiana residents traveling within the state and non-resident visitors.

Rationale: Employment is fundamental to the prosperity and well being of Louisiana's citizens as well as the state at large. In addition to providing income to individuals, families and communities, employment attributable to tourism helps to keep our citizens from leaving the state in search of employment. Louisiana's rich cultural legacy is in fact directly attributable to her citizens such as those of French Acadian and African descent. Hence, loss of these citizens would likely result in the diminished appeal of Louisiana as a travel destination, as well as negatively impact the quality of life in Louisiana.

How much visitors spend each year in Louisiana is the most relevant and direct measure of the success of tourism and its benefit to Louisiana. Increased spending would continue to provide economic prosperity to both the private and public sectors. Accordingly, a decrease in spending would have a significant impact to the State's tax revenue resulting in a need to replace revenue or the possibility of increasing the tax burden on Louisiana's citizens. Additionally, decreased spending would indicate a negative impact on those businesses historically dependent on visitors, including fewer employment opportunities. Finally, a decrease in visitor spending would likely result in less resources made available for the protection, preservation and restoration of the rich cultural assets of Louisiana, undermining the quality of life in our state.

Target: Targets for employment generated by tourism in the original *Vision 2020* were set on the basis of a 2 percent annual increase; however, by 2000, the 2003 target had been exceeded. As a result, new, higher targets were set. Professional judgment used.

Targets for visitor spending in the original *Vision 2020* were set on the basis of a 3 percent annual increase; however, visitor spending in 2000 had almost reached the target for 2003. As a result, new, higher targets have been set. Professional judgment used.

Data Source: Louisiana Office of Tourism Research Department and United States Travel Data Center

2.1.13 (formerly 3.5.7 & 3.6.1)

Number of visitors – out-of-state, international, to state parks

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Out of State	15.5	17.4	16.7	19.2	22.1	25.4	29.2
International	0.6	0.6	0.6	0.7	0.8	0.9	1.1
State Parks (All numbers in millions)	1.44	2.01	2.05	2.3	2.6	2.9	3.2

Baseline Data – State parks – 1998; Out of state & International - 1997

Current Data - State parks – 2000; Out of state & International - 2000

Explanation: The method for estimating the number of resident and out-of-state visitors was revised in 2001, therefore the 1997 benchmark was changed in order to be comparable with existing and projected visitor totals.

For state parks: Residents and visitors vastly underutilize Louisiana's abundant natural resources. The development and promotion of these resources have the potential to increase visits by broadening and enriching Louisiana's appeal and taking advantage of the increasing interest in eco-tourism. Fundamental to this success is capitalizing on our abundant fishing resources. The state parks visitation numbers reflect totals of all operational sites including recreational commemorative areas and preservation areas.

The Governor's Four Year and Eight Year Master Plans for state parks established completion of existing parks, re-master planning and construction at older parks, and construction of three new state parks as a priority over acquisition of new lands. Therefore the already projected land acquisition acreage must be changed to reflect the administration priorities. Visitation ceilings are established by such factors as number of facilities available, number of programs, and the like. If no new land is acquired and no new facilities built at a certain stage, then visitation is limited by the carrying capacity.

Rationale: For out of state and international visitation: the number of visitors coming to Louisiana is one of the key factors in the economic impact of travel on Louisiana. More tourists result in increased spending and a greater positive economic benefit to individual businesses citizens (in the form of employment) as well as the state (in the form of tax revenue).

For state parks: over the past several years, the Office of State Parks has had promotional funds budgeted that provide for public awareness campaigns that are showing results in the overall visitation numbers.

Target: Professional judgment used.

Data Source: Louisiana Department of Culture, Recreation, & Tourism

2.1.14

Energy Production by Source (number of kilowatt hours generated and barrels of oil and billion cubic feet of natural gas that originates in or is piped through Louisiana)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Kilowatt hours generated	90,325	91,984	98,303	109,683	119,480	126,007	134,146
Oil (million barrels)	1,483.6	1,573.5	1,600.9	1,617.2	1,642.7	1,647.8	1,660.9
Gas (billion cubic feet)	6,445.1	6,166.4	6,446.9	6,120.7	5,916.1	5,578.5	5,242.9

Baseline Data - 1998
Current Data - 2000

Explanation: This benchmark measures the amount of electricity generated in Louisiana and oil and gas production in Louisiana and offshore in the Gulf of Mexico. These data are intended to show the state's performance in meeting its own electric power needs and in oil and gas production

Rationale: An adequate supply of electricity at competitive rates is critical to growing Louisiana's existing and emerging clusters. Oil and gas production is also important, as a significant number of jobs (both direct and indirect) are associated with oil and gas exploration, production, and refining/processing. In addition, a number of industries (e.g., ammonia and chemicals in general) are dependent upon ample supplies of low cost natural gas resources. Refineries, are also dependent upon supplies of crude for generating product to sell.

Target: Professional judgment used. The goal is to at least keep pace with existing power generation trends. If we import more, we will become increasingly more dependent upon a high voltage transmission system for which no one wants to take responsibility (i.e., pay for transmission infrastructure investments). This puts the state's electric reliability in jeopardy.

Data Source: *Electric Power Monthly*, U.S. Department of Energy, Energy Information Administration, U.S. Department of the Interior, Minerals Management Service, and the Louisiana Department of Natural Resources.

2.1.15

Total capital investment in oil and gas infrastructure by type of infrastructure (oil & gas production facilities, refineries, gas processing facilities, natural gas pipelines, and natural gas storage facilities)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Oil& gas production facilities		Data not yet available					
Refineries							
Gas processing facilities							
Natural gas pipelines							
Natural gas storage facilities							

Baseline Data -
Current Data -

Explanation: This benchmark measures capital investment in various types of oil and gas production, refining/processing, pipeline transportation, and natural gas storage infrastructure.

Rationale: This data provides information on whether adequate infrastructure exists to extract and produce oil and gas, whether ongoing and adequate investments are being made in refineries, natural gas processing facilities, and transportation infrastructure, and whether there are adequate storage facilities for natural gas.

Target: To be set

Data Source: Data not yet available for this benchmark. Data are expected to be available in the fall 2003.

2.1.16

Number of rigs operating

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Number of rigs operating	184	163	163				

Baseline Data - 1998
Current Data - January 2003

Explanation: This benchmark measures the number of rigs used to drill for hydrocarbons.

Rationale: The number of rigs operating is an indication of oil & gas extraction activity.

Data Source: Louisiana Department of Natural Resources

Objective 2.2: To significantly increase the amount of research and development activity in all sectors

2.2.1

Research & development expenditures per \$1,000 in gross state product (industry-, federally-, and university performed)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Industry-performed	\$1.38	\$1.45	\$4.29	\$7.84	\$11.39	\$14.94	\$18.49
Federally-performed	\$0.39	\$0.46	\$1.02	\$1.72	\$2.42	\$3.12	\$3.82
University-performed	\$2.65	\$2.92	\$3.35	\$3.89	\$4.44	\$4.98	\$5.52

Baseline Data - 1997

Current Data – 1999

Explanation: This benchmark measures the amount of research performed in Louisiana by industry, the federal government, and at universities per \$1,000 in Louisiana's gross state product. Looking at these research expenditures in relation to the amount of gross state product allows comparisons with other states and the nation as a whole. These data are tracked for all southern states by the Southern Growth Policies Board and published in *Invented Here: The 2002 Southern Innovation Index*.

The amount of industry-performed R&D in the Louisiana is well below the U.S. average. In 1999, the most recent data available, Louisiana's industry-performed R&D per \$1,000 in gross state product was \$1.45 – compared to an average of \$19.13 for the nation as a whole.

Federally-performed R&D per gross state product in Louisiana is \$0.46 compared to \$1.67 for the nation as a whole, while university-performed R&D compares more favorably, at \$2.92 compared to the national average of \$2.94.

Rationale: Research & development serves as the basis for innovations that lead to new products and processes.

Target: Professional judgment used.

Data Source: Office of Technology Policy, *The Dynamics of Technology-based Economic Development: State Science and Technology Indicators*, based on National Science Foundation R&D data and U.S. Department of Commerce, Bureau of Economic Analysis data on gross state product.

2.2.2 (formerly 2.6.1)

Research & development expenditures per capita (percent of national average)

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
17%	28%	38%	59%	80%	100%	100%

Baseline Data - 1994

Current Data – 1999

Explanation: Data show that on a per capita basis, the dollar amount of research and development conducted in Louisiana (private and public sectors) in 1999 was only 28% of the national average – up from 17% in 1994. The goal is to increase the amount of R&D conducted by both universities and the private sector to at least the national average by 2018. To do so, the State must find ways to encourage increased R&D by the private sector and at universities.

Rationale: Increased private sector R&D will provide another avenue for employment of science and engineering graduates of Louisiana universities. It also increases the potential for those companies to develop innovative products and services, allowing them to expand their business in the state and providing and strengthening companies to which Louisiana universities can license technology and around which support companies can grow and flourish.

Target: Professional judgment used.

Data Source: National Science Foundation, Science & Engineering Profile, 1994 (baseline data) and 2000 (current data) and the Louisiana Economic Development Council.

2.2.3

Percentage of recent science & engineering PhDs in the workforce

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
.08%	.09%	.10%	.11%	.12%	.13%	.14%

Baseline Date - 1997
Current Data – 1999

Explanation: This benchmark measures the percentage of people in the workforce who received science & engineering PhD's in 1990–1998. It was calculated by dividing the number of PhD degree holders by the 1999 civilian workforce. 1999 data, the most recent data available, show that Louisiana has 0.09 percent of the workforce has a recent S&E PhD, compared with an average of 0.14 percent nationally. These data are tracked for all southern states by the Southern Growth Policies Board and published in *Invented Here: The 2002 Southern Innovation Index*.

Rationale: The number of S&E PhD's in the civilian workforce provides an indication of where S&E PhDs are finding jobs and desire to work. The presence of these S&E PhDs is good for a region's economy, as they generally hold high paying jobs and are often conducting R&D that may lead to innovations leading to new products and processes and more competitive companies.

Target: To reach the current U.S. average by 2023.

Data Source: Office of Technology Policy, *The Dynamics of Technology-based Economic Development: State Science and Technology Indicators*, based on National Science Foundation R&D data and U.S. Department of Commerce, Bureau of Economic Analysis data on gross state product.

2.2.4

Number of patents issued per 10,000 business establishments

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
46	54	73	96	119	143	166

Baseline Data - 1997

Current Data – 1999

Explanation: This benchmark measures the average number of U.S. patents for 1998-2000 per 10,000 business establishments – to normalize the data to allow for more valid comparisons with other states. The data show that Louisiana generates 54 patents per 10,000 business establishments, well below the average of 134 nationally. These data are tracked for all southern states by the Southern Growth Policies Board and published in *Invented Here: The 2002 Southern Innovation Index*.

Rationale: The number of patents issued in a state is one measure of the level of innovative activity ongoing and the amount of intellectual property being created in a state.

Target: Professional judgment used.

Data Source: Office of Technology Policy, *The Dynamics of Technology-based Economic Development: State Science and Technology Indicators*, based on U.S. Patent & Trademark Office data.

Objective 2.3: To increase the availability of capital for all stages of business development and provide management assistance to emerging businesses

2.3.1

Venture capital disbursements

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
\$89.2	\$109	\$70	\$200	\$300	\$400	\$500

Baseline Data - 1998

Current Data –2000

Explanation: This benchmark measures the amount of venture capital *reported* as invested in Louisiana companies. Note that the numbers shown here are the amounts venture capital companies *report* to the National Venture Capital Association; they do not include information on venture capital companies that do not report investments. This benchmark is also a Southern Growth Policies Board benchmark published in *Invented Here: The 2002 Southern Innovation Index* and future updates.

Rationale: Entrepreneurial companies today account for most new job growth in the U.S. A shortage of venture capital, particularly capital for early stage companies, seriously hinders the growth of these

companies. The availability of venture capital and seed capital to support early stage companies is critical to their growth and thus important for the creation of quality jobs in Louisiana.

Target: To have \$500 million in investments in Louisiana by 2023.

Note that the 2003 target is less than the 2000 actual. Venture capital disbursements nationwide for 2001 and 2002 are down substantially from 2000 levels. Disbursements for 2003 are still expected to remain below levels in the late 1990s and 2000, resulting in the lower 2003 target.

Data Source: National Venture Capital Association, *National Venture Capital Association Yearbook, 2001*, Arlington, Virginia.

2.3.2

SBIC dollars awarded to Louisiana companies

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
\$40.3	\$47.9	\$48	\$50	\$55	\$60	\$65

Baseline Data – Average for 1994-1998

Current Data – Average for 1998-2002

Explanation: The Small Business Investment Company (SBIC) program was created by Congress in 1958. SBICs, which are licensed by the Small Business Administration (SBA), are privately owned and managed investment firms that provide venture capital to existing and new small businesses. SBICs use their own capital and funds borrowed through the federal government at favorable rates to invest in companies in exchange for equity in the companies.

This benchmark measures the amount of SBIC financings to small businesses in Louisiana. Baseline data show the average annual amount for the 1994-98 time period, and the current data show the average annual amount of financings to small businesses for the 1998-2002 time period.

Rationale: The SBIC program is a way for venture capital companies to supplement their private investment capital with funds borrowed at favorable rates through the federal government, thereby increasing the total amount they have to invest. The government benefits from the jobs created and taxes paid as a result of companies that grow using SBIC investments. Companies and states benefit by having more venture capital available to be invested in companies.

Target: Professional judgment used.

Data Source: All SBIC Program Licensees: Financing to Small Businesses by State. U.S. Small Business Administration. Available at www.sba.gov/INV/stat/table7.doc.

2.3.3

State dollars invested annually, either directly or indirectly, to spur venture capital investments in Louisiana

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
To be added						

Baseline Data -

Current Data -

Explanation: This benchmark measures state funds invested in companies, including venture capital companies by the Louisiana Economic Development Corporation, as well as tax credits for CAPCO companies.

Rationale: Because of a shortage of venture capital, particularly for early stage companies, Louisiana must continue to search for cost effective ways to continue to stimulate venture capital, particularly early stage capital, in Louisiana.

Target: To be set.

Data Source: Louisiana Economic Development and the Office of Financial Institutions

Objective 2.4: To provide effective mechanisms for industry access to university-based technologies and expertise

2.4.1

Number of licenses completed (total and percentage to Louisiana companies)

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
	Data currently being gathered					

Baseline Data -

Current Data -

Explanation: The number of licenses completed provides an indication of the level of activity in the development and management of technologies developed at Louisiana universities.

Rationale: Louisiana universities receiving state funds have an obligation to commercialize any technology developed at those institutions for the benefit of the State. Leading-edge technology developed at these universities and transferred to existing businesses can enhance their competitiveness as well as provide revenue in the form of royalties to the universities and faculty. Alternatively,

occasionally such technology may serve as the basis for new Louisiana-based companies leading to economic diversification within the state.

Target: To be set.

Data Source: Louisiana Board of Regents

2.4.2

Number of university cooperative endeavor agreements with companies

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
	Data currently being gathered					

Baseline Data -
Current Data –

Explanation: The number of university cooperative endeavor agreements provides an indication of the amount of activity ongoing between researchers and faculty and staff.

Rationale: One of the most important ways universities can contribute to economic development is by providing assistance to area companies. Cooperative endeavor agreements are an important vehicle for universities to provide this assistance.

Target: To be set.

Data Source: Louisiana Board of Regents

Objective 2.5: To aggressively encourage and support entrepreneurial activity

2.5.1

Business incubators

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
16	16	16	18	20	22	25

Baseline Data - 1998
Current Data – 2003

Explanation: There are currently 16 incubators in Louisiana, and three “wet lab” incubators are in various stages of development in Shreveport, Baton Rouge, and New Orleans. The first incubator was established in 1988, while others are in their first year of operation. The incubators in the state have enjoyed varied degrees of success. However, most have been extremely effective in generating

companies, supporting entrepreneurship, and creating jobs. There is an active Louisiana Business Incubation Association to which most of the state's incubators belong.

Most major Louisiana cities have business incubator programs. As the population grows, incubators could be established in additional communities; however, it may be better to expand existing successful programs than to dot the state with new incubators, diluting the resources of all. Feasibility studies should be required before state funds are invested in new incubators.

For business incubators to be successful, they must be well planned, based on data from a feasibility analysis, and well funded. Most business incubators do not generate sufficient cash flow to sustain breakeven on operations. They require a subsidy, sponsorships, or other funding to cover operating costs. In addition, the facilities they occupy generally must be owned without debt service or lease payments. This means that funding must be generated to purchase or build the facility or that the building must be donated to the incubator.

Rationale: Business incubators are a proven mechanism for facilitating the process of small business development and job creation. A recent national study was conducted indicating that they are one of the most effective and efficient economic development tools, as in most cases they return \$5 to the community for every \$1 of public money invested.

Target: Future goals for incubator expansion should focus on increasing the square footages and services of the existing incubators in the State rather than establishing a large number of new incubators. Diluting the funding of existing incubators and the creation of new incubators competing for entrepreneurial clients will decrease the effectiveness of the business incubation process. In establishing goals for business incubator development in the next twenty years, consideration should also be given to properly funding existing incubators rather than creating new incubators.

By year 2023, Louisiana could support 20 to 25 incubators in the state. Efforts should be made to develop industry specific incubators to support Louisiana's targeted clusters. These incubators should be located near universities that have world-class capabilities in that functional area. The "wet lab" incubators can be a pilot for such cluster specific incubators.

Data Source: Louisiana Business Incubation Association

2.5.2

New business starts

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
16,216	22,064	To be set				

Baseline Data - 1998

Current Data - 2002

Explanation: This benchmark measures the number of new corporations and Limited Liability Companies started each year.

Rationale: New business starts provides an indication of entrepreneurial activity that leads to the creation of new jobs.

Target: To be set.

Data Source: Louisiana Secretary of State, Commercial Division.

2.5.3

Business churning rate

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
21.9%	24.1%	24.5%	26%	27.5%	29%	30%

Baseline Data - 1998

Current Data - 2001

Explanation:

Business churning is a measure of new firm births and existing firm deaths as a share of total firms. This churning increases as the number of new start-ups and existing business failures per year increases. In 1998, Louisiana ranked 40th nationally and improved to 31st by 2001.

Rationale: Business churning is seen as a major driver of innovation and growth

Target: In 2001, two states had business churning rates of over 40%, and seven states had business churning rates of more than 30 percent. Louisiana's seeks to continue to improve its business churning rate to a relatively high rate of 30% by 2023.

Data Source: SBA Office of Advocacy, as summarized by the State Science & Technology Institute -- <http://www.ssti.org/Digest/Tables/022103t.htm>

2.5.4 (formerly 3.1.4 & 3.1.5)

Number of women- and minority-owned businesses

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Women-owned	10,760	11,505	12,005	12,617	13,261	13,937	14,648
Minority-owned	2,086	3,050	3,435	3,792	4,187	4,623	5,104

Baseline Data - 1992

Current Data - 1997

Explanation: This benchmark measures growth and diversification in business ownership and economic opportunity within the state. Businesses are defined as the number of firms with paid employees.

Rationale: It is important to ensure that entrepreneurial activity in Louisiana is diverse and benefits women, minorities, and economically disadvantaged persons.

Target: Targets for women-owned firms are based on an average annual growth rate of 1 percent. Targets for minority-owned firms are based on an average annual growth rate of 2 percent.

Data Source: Louisiana Economic Census, Women-Owned Businesses and Louisiana Economic Census, Black-Owned Businesses, 1992 and 1997.

2.5.5

Percentage of total employment in gazelle firms

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
11.8%	11.8%	To be set				

Baseline Data - 2000

Current Data – 2000

Explanation: Gazelle firms are firms that have shown at least a 15/20 percent annual growth rate over four years. They are the fast growing firms that produce many, often high wage jobs.

Rationale: This benchmark provides an indication of the dynamism in a regional economy.

Target: To be set.

Data Source: David Birch et.al. *Corporate Almanac*. Cambridge Cognetics, Inc., 2001.

2.5.6

Annual Small Business Innovation Research (SBIR)—average annual awards per 10,000 businesses and total dollars awarded

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Awards per 10,000 businesses	0.9	0.9					
Dollars awarded (in millions)	\$1.7	\$1.6	\$3.5	\$8	\$13	\$18	\$23

Baseline Data – 1996-1998

Current Data – 1998-2000

Explanation: This benchmark measures the average annual number of Small Business Innovation Research (SBIR) awards over a 3-year period per 10,000 businesses and the average annual dollars awarded for SBIR grants over a 3-year period (e.g., the dollar amount for 2003 above is the average for 2001-03). In 1998-2000, Louisiana ranked 49th in the number of SBIR awards per 10,000 business. The 0.9 awards per 10,000 businesses was only 14% of the U.S. average.

Awards per 10,000 businesses is a benchmark used by the Southern Growth Policies Board in *Invented Here: The 2002 Southern Innovation Index*.

Rationale: The SBIR program is a federal program that provides grant money to companies for technology development. With the number of awards per 10,000 businesses at only 14% of the U.S. average, Louisiana companies are vastly underutilizing this important source of seed capital. The Louisiana Technology Transfer Office (LTTO) is actively working to inform Louisiana companies of the SBIR program and provide assistance with the preparation of proposals for these grants.

Target: Professional judgment used.

Data Source: *The Dynamics of Technology-Based Economic Development*, First and Second Editions 2000 and 2000, Office of Technology Policy, and the SBA website

Objective 2.6: To develop and promote Louisiana's existing transportation infrastructure

2.6.1 (formerly 2.3.1)

Elements of the Louisiana Statewide Transportation Plan fully implemented or funded (48 total elements)

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
16	To be added after the update of the Statewide Transportation Plan is completed					

Baseline Data - 1998

Current Data –

Explanation: This measures the State's commitment to working with the private sector and local government officials to develop and implement plans covering all modes of transportation that will, among other things, strengthen Louisiana's existing economy and foster additional growth.

Rationale: The Louisiana Statewide Transportation Plan is a 30-year, long-range plan for the state. It addresses the movement of people and freight across all modes of transportation. The Plan includes the policies, programs, and projects that are needed to strengthen the state's economy and improve the quality of life for Louisiana citizens. The plan was developed by the Department of Transportation and Development (DOTD) with considerable stakeholder input and under the guidance of the Louisiana Investment in Infrastructure for Economic Prosperity (LIIEP) Commission created through Act 437 in 2001. The LIIEP Commission is chaired by the Secretary of the DOTD.

Target: The State needs to implement as many elements of the plan as practicable; however, since it is a 30-year plan, it is not reasonable to expect all elements to be fully implemented or funded in 20 years.

Data Source: Information on the extent of progress made in implementing the plan can be obtained from the Assistant Secretary of the DOTD Office of Planning and Programming.

2.6.2 (formerly 2.3.2)

Elements of the Transportation Infrastructure Model for Economic Development (TIMED) fully implemented (16 total elements)

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
3	4	4	9	16	16	16

Baseline Data - 1998

Current Data - 2001

Explanation: This measures progress on completing the projects contained in the Transportation Infrastructure Model for Economic Development (TIMED).

Rationale: TIMED is a statewide plan containing sixteen specific transportation projects of which only three have been fully implemented. The TIMED plan is financed through a dedicated tax of four cents per gallon levied on all gasoline, motor fuels, and special fuels. The tax was enacted in 1989 with an effective date of January 1, 1990 and was scheduled to expire December 31, 2004. In 1998, the tax was extended indefinitely to ensure completion of all of the projects. The intent of the TIMED plan is to stimulate economic development in Louisiana through an investment in transportation infrastructure.

Target: A plan to accelerate construction through bonding is being implemented. All of the road projects are scheduled to be completed by 2010 and the three high-cost bridge projects are scheduled for completion by 2012.

Data Source: Information on the progress of implementing the TIMED projects, including the latest cost estimates and schedules, can be obtained from the Department of Transportation and Development.

2.6.3 (formerly 2.3.5)

Percentage of state highway miles with pavements in poor condition

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
27.1%	8.7%	9.5%	8.5%	8.0%	7.75%	7.5%

Baseline Data - 1995

Current Data - 2000

Explanation: This measures the progress in maintaining and improving the condition of state highway pavements in Louisiana. This measure differs from Benchmark 2.3.5 in the original Vision 2020 in that it now includes only **state** highway miles, not state and federal highway miles.

Rationale: Poor highway pavements contribute to a negative image of Louisiana as well as leading to increased vehicle repairs, increased freight damage, and a general decrease in highway safety. A well-maintained highway system is critical to the state's economy including tourism and the transport of products to market. Statistics for 1995 show that 17.0 percent of the state-maintained highway miles in Louisiana had pavement in poor condition. By 1998, the system had improved to 14.6 percent of state-maintained highway miles with highway miles in poor condition.

Target: The goal is to continually improve the condition of state highways and therefore reduce the highway miles with poor pavements.

Data Source: Statistics on pavement condition are from Pavement Management System maintained by the Department of Transportation and Development.

2.6.4 (formerly 2.3.7)

Number of parishes with a public transportation system

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
42	36	47	48	58	64	64

Baseline Data - 1997

Current Data -2002

Explanation: This measures the number of parishes with a public transportation system.

Rationale: The success of the State's workforce development initiatives, welfare reform, and motor vehicle insurance requirements depend on the availability of public transportation service to all citizens regardless of where they reside. Public transportation is necessary for access to education, training, and employment, particularly for people in the lower income levels (i.e. those without automobiles and those who cannot afford insurance). While 42 parishes have public transportation systems providing general service (as opposed to specialized service for the elderly and disabled), none provide complete parish wide coverage. Further, 22 parishes provide no general service.

Target: The ultimate goal is to provide basic public transportation service in all areas of the state. The first step is to establish a public transportation system in all parishes. Once established, the service area can then be expanded incrementally to cover greater portions of the population. Some funding for public transportation is currently provided from federal sources, through the Parish Transportation Fund, and through state funded programs.

Data Source: Statistics on public transportation services in Louisiana are available from the Public Transportation Division of the Department of Transportation and Development.

2.6.5

Number of Louisiana ports in the top 10 U.S. ports (based on total cargo tonnage)

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
4	3	3	4	5	5	5

Baseline Data - 1995

Current Data – 2001

Explanation: This benchmark measures the health of the port industry in Louisiana.

Rationale: Ports play a vital role in Louisiana's economy facilitating both international and domestic trade for both the state and the nation. Louisiana's ports are some of the largest in the world as measured in both cargo tonnage and cargo value. However, we face fierce competition from ports in other states; therefore, maintaining our current standing will be extremely difficult. As the economy becomes increasingly global, Louisiana's ports can become even greater assets. Cargo tonnage is an effective measure of the overall level of activity at our ports.

Target: The goal is to maintain and improve the state's strong position as a load center for both international and domestic cargo.

Data Source: Waterborne Commerce of the U.S., U.S. Army Corps of Engineers.

2.6.6

Direct air service between Louisiana airports and external locations (foreign cities, domestic hub cities, & domestic no-hub cities)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Foreign cities+	2	2	2	4	6	7	8
Domestic hub cities	NA	40	40	42	44	46	48
Domestic non-hub cities	NA	41	41	42	43	44	45

Baseline Data - 1997

Current Data – 2002

Explanation: This provides a measure of commercial air service available at Louisiana's airports.

Rationale: Direct commercial air service between Louisiana and other states and other countries is indicative of our ability to conduct business in both the national and global marketplaces attract domestic and foreign investment, and attract domestic and foreign tourists. Increasing commercial air service will facilitate domestic and international trade in goods and services, and enhance tourism.

Target: The goal is to expand direct commercial air service between Louisiana airports and foreign cities, domestic hub cities, and domestic non-hub cities. This can be accomplished with some infrastructure improvements and an aggressive marketing/recruitment program.

Data Source: Information on the level of commercial air service available in Louisiana can be obtained from the Aviation Section of the Department of Transportation and Development.

Objective 2.7 To assess, build, and capitalize on Louisiana's information and telecommunications infrastructure

2.7.1

Percentage of household with computers

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
41.2%	45.7%	47%	55%	70%	80%	90%

Baseline Data - 2000

Current Data – 2001

Explanation: This benchmark measures the percentage of all Louisiana households with computers in the home. The U.S. Census Bureau surveyed about 57,000 households and more than 137,000 individuals to generate these comprehensive 2001 data. These data are tracked for all southern states by the Southern Growth Policies Board and published in *Invented Here: The 2002 Southern Innovation Index*.

Rationale: Computers are important for education, communication, and gathering information. Computers in the home allow educational, recreational, and work activities in the home and for those with Internet access, provide access to additional information and educational opportunities.

Target: The target is for 90 percent of all Louisiana households to have a computer by 2023.

Data Source: U.S. Department of Commerce, National Technical Information Service (NTIA) and the Economics and Statistics Administration, *A Nation Online: How Americans Are Expanding Their Use Of The Internet*. Table found at <http://www.ntia.doc.gov/ntiahome/dn/hhs/TableH2.htm>. This report is based on data presented in the U.S. Census Bureau's September 2001 Current Population Survey.

Baseline data from earlier Current Population Survey Supplements. Links to data found at <http://www.bls.census.gov/cps/computer/computer.htm>.

2.7.2

Percentage of households with Internet access

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
30.2%	40.2%	45%	55%	75%	85%	95%

Baseline Data - 2000

Current Data – 2001

Explanation: This benchmark measures the percentage of all Louisiana households with Internet access in the home. The U.S. Census Bureau surveyed about 57,000 households and more than 137,000 individuals to generate these comprehensive 2001 data. These data are tracked for all southern states by the Southern Growth Policies Board and published in *Invented Here: The 2002 Southern Innovation Index*.

Rationale: Internet access is important for communication, gathering information, and the conduct of all aspects of businesses. Internet access in the home provide families with access to information and educational opportunities not otherwise available in the home.

Target: By 2023, 95 percent of households will have access to the Internet.

Data Source: Current data from the U.S. Department of Commerce, National Technical Information Service (NTIA) and the Economics and Statistics Administration, *A Nation Online: How Americans Are Expanding Their Use Of The Internet*. Table found at <http://www.ntia.doc.gov/ntiahome/dn/hhs/TableH1.htm>. This report is based on data presented in the U.S. Census Bureau's September 2001 Current Population Survey.

Baseline data from earlier Current Population Survey Supplements. Links to data found at <http://www.bls.census.gov/cps/computer/computer.htm>.

2.7.3 (formerly 2.4.1)

Percentage of households with broadband Internet available

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
57%	64%	80%	100%	100%	100%	100%

Baseline Data - 1999

Current Data - 2001

Explanation: This benchmark measures the percentage of households within zip codes where high-speed service is available (NOT the percentage that **purchase** high speed service), according to Federal Communications Commission data. These data are tracked for all southern states by the Southern Growth Policies Board and published in *Invented Here: The 2002 Southern Innovation Index*.

Rationale: Broadband access is essential for businesses to be competitive and important for Broadband access is essential for businesses to be competitive and important for families to have access for access to information, including for educational benefits for children.

Target: Broadband access should be available to all Louisianians as soon as possible. The Council's target is for 80% of households to have broadband access by 2003 and 100% before 2008.

Data Source: Federal Communications Commission. *Deployment of Advanced Telecommunications Capability: Second Report*, August 2000 (www.fcc.gov/broadband).

Objective 2.8: To have an equitable tax structure, regulatory climate, and civil justice system conducive to business retention and the creation an growth of innovative companies

2.8.1 (formerly 2.9.2)

State bond rating

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Louisiana	A2	A2	A1	AA3	AA2	AA2	AA2
State median	AA2	AA2	AA2	AA2	AA2	AA2	AA2
National Ranking	40	44 of 45	35	30	25	20	20

Baseline Data -1998

Current Data - 2002

Explanation: Moody's raised Louisiana's rating from Baa1 in March of 1997 to A2 in 1998. Louisiana ranks 44th in the rating services out of 45 states rated for General Obligation Bonds. Rating and ranking measures investors perceived risk of prompt payment of debt obligations. The lower the rating, the higher the cost of outside capital is to the State.

Rationale: By raising the rank, Louisiana would be placed in a more competitive ranking with other states. In periods of low investors liquidity, the higher rated states would have priority access to borrowing while poorer rated states might find outside funding unavailable.

Target: To be ranked 20th in the Year 2018.

Data Source: Moody's Rating Service

2.8.2 (formerly 2.9.4)

Federal funding flows (funds to Louisiana, from Louisiana, and net)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Louisiana funds to the Federal government (in billions)	\$22.7	\$30.3					
Federal funds to Louisiana	\$17.7	\$21.4					
Net	\$5.0	\$8.9					
Federal expenditures per dollar of state taxes to Federal government	\$1.28	\$1.42	\$1.42	\$1.38	\$1.31	\$1.25	\$1.20

Baseline Data - 1996

Current Data - 2001

Explanation: This benchmark shows the flow of funds coming out of Louisiana to Washington, the amount of funds remitted from Washington to Louisiana, and a ratio of the two. A ratio greater than \$1.00 indicates that more federal funds are flowing **into** the state than contributions to the federal government flowing **out** of the state.

Federal Fiscal Year 2001 data indicate that, Louisiana is doing better than most states in the amount of money the federal government spends here compared to the amount we send to them. However, the reason Louisiana receives the relatively large amounts is our large population living in poverty. Much of this money goes to healthcare and social assistance programs.

Rationale: It is important that Louisiana get its fair share of federal funds; however, it is important for the state to focus on the types of federal funds coming into the state. Louisiana must focus on increasing funds for research and other expenditures that will help the state increase the number of quality jobs as well as the quality of life for all citizens and work to minimize the need for large amounts of federal funds for social and healthcare assistance.

Target: The target is to slowly decrease the amount of federal dollars coming into the state for healthcare and social assistance programs and at the same time increase federal dollars coming in for research, infrastructure, and other areas where federal funding might contribute to an increase in quality jobs. In short, Louisiana must focus on changing the mix of federal dollars coming into the state, while reducing its overall dependence on federal assistance.

Data Source: *Federal Tax Burdens and Expenditures by State*, Tax Foundation, Washington, DC (www.taxfoundation.org).

2.8.3

State business climate ranking

Baseline Data	Current Data	Targets				
		2003	2008	2013	2018	2023
13	25	24	19	15	12	10

Baseline Date - 1997
Current Data - 2002

Explanation: Site Selection Magazine uses five criteria to generate the business climate rankings. The first four criteria consider new and expanded corporate facilities for 2001, 1999 through 2001, per million residents for 1999 through 2001, and per thousand square miles. The fifth criterion, which counts for 50 percent of the ranking, is a states' performance in *Site Selection's* annual survey of corporate real estate executives. This survey determines which states they consider the most pro-business.

Rationale: *Site Selection Magazine's* rankings are considered by many to provide an indication of how good a state is as a place to do business.

Target: To reach a rank of 10 by 2023.

Data Source: *Site Selection Magazine*.

2.8.4

Energy prices as a percent of the Southern average (residential, commercial, industrial)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Electricity							
Residential	98.37%	108.69%	108.19%	105.71%	103.29%	100.93%	100%
Commercial	104.9%	116.29%	115.32%	110.59%	106.04%	101.69%	100%
Industrial	102.17%	118.81%	117.68%	112.18%	106.93%	101.93%	100%
Natural Gas							
Residential	87.26%	94.26%	94.26%	94.26%	94.26%	94.26%	94.26%
Commercial	95.02%	104.37%	103.6%	102.52%	101.47%	100.42%	100%
Industrial	64.38%	80.99%	80.99%	80.99%	80.99%	80.99%	80.99%

Baseline Data - 1998

Current Data - 2002

Explanation: This benchmark measures the average price for electricity and natural gas paid by residential, commercial, and industrial customers in Louisiana.

Rationale: These measures allow comparisons of the competitiveness of Louisiana's electricity and natural gas prices with the average for neighboring states.

Target: Prices in Louisiana should be equal to or better than the west south central average to remain competitive with neighboring states.

Data Source: *Electric Power Annual* and *Natural Gas Annual*, Energy Information Administration, U.S. Department of Energy

2.8.5

Capital investment in electric power infrastructure (power generation facilities, industrial cogeneration facilities, electric transmission lines, & distribution)

Baseline Data		Current Data	Targets				
			2003	2008	2013	2018	2023
Power generation facilities (in megawatts)	17,014	16,331	16,331	16,331	16,331	16,331	16,331
Industrial cogeneration facilities (in megawatts)	3,771	6,363	6,530	7,429	8,453	9,617	10,127
Electric transmission facilities (in millions)	\$2,294	\$2,699	\$2,825	\$3,545	\$4,450	\$5,585	\$6,116
Electric distribution facilities (in millions)	\$4,086	\$4,821	\$5,016	\$6,116	\$7,458	\$9,094	\$9,845

Baseline Data - 1998
Current Data – 2002

Explanation: This benchmark measures capital investment in infrastructure associated with the generation, transmission, and distribution of electricity, including cogeneration at industrial plants.

Rationale: It is important that adequate investment be made in electric power infrastructure to ensure adequate power and transmission & distribution infrastructure for the state.

Target: Professional judgment used.

Data Source: LSU Center for Energy Studies